



TSX: **STGO** | OTCQX: **STPGF**

# MONGOLIA'S PREMIER PRECIOUS METALS COMPANY

**CORPORATE PRESENTATION**  
**JULY 2021**



# DISCLAIMER

## TECHNICAL INFORMATION

Technical information relating to the Altan Tsagaan Ovoo Project (the "ATO Project") contained in this presentation is derived from, and in some instances is an extract from, the Technical Report titled "Altan Tsagaan Ovoo Gold Project, Tsagaan Ovoo, Dornod, Mongolia" dated August 20, 2017, with an effective date of June 20, 2017, which was prepared for the Company by Oyungerel Bayanjargal, MAusIMM of GSTATS Consulting Ltd (the "Technical Report") and prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). Reference should be made to the full text of the Technical Report which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on SEDAR at

[www.sedar.com](http://www.sedar.com).

Technical information in this presentation not contained in the Technical Report has been prepared under the supervision of Enkhtuvshin Khishigsuren a "qualified person".

## CAUTIONARY NOTE FOR UNITED STATES INVESTORS

Technical disclosure regarding our properties included herein (the "Technical Disclosure") has not been prepared in accordance with the requirements of United States securities laws. Without limiting the foregoing, the Technical Disclosure uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in the Technical Disclosure have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System. These standards differ significantly from the requirements of SEC Industry Guide 7, and resource information contained in the Technical Disclosure may not be comparable to similar information disclosed by U.S. companies.

The definitions of proven and probable reserves used in NI 43-101 differ from the definitions in SEC Industry Guide 7. In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the Securities and Exchange Commission (the "SEC").

Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities laws, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases.

Additionally, disclosure of "contained ounces" in a resource is permitted disclosure under Canadian securities laws, however the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measurements. Accordingly, information contained in the Technical Disclosure may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of United States federal securities laws and the rules and regulations thereunder.



# OUR VISION

**Mongolia's  
premier precious  
metals company.**

## Our mandate:

**01**

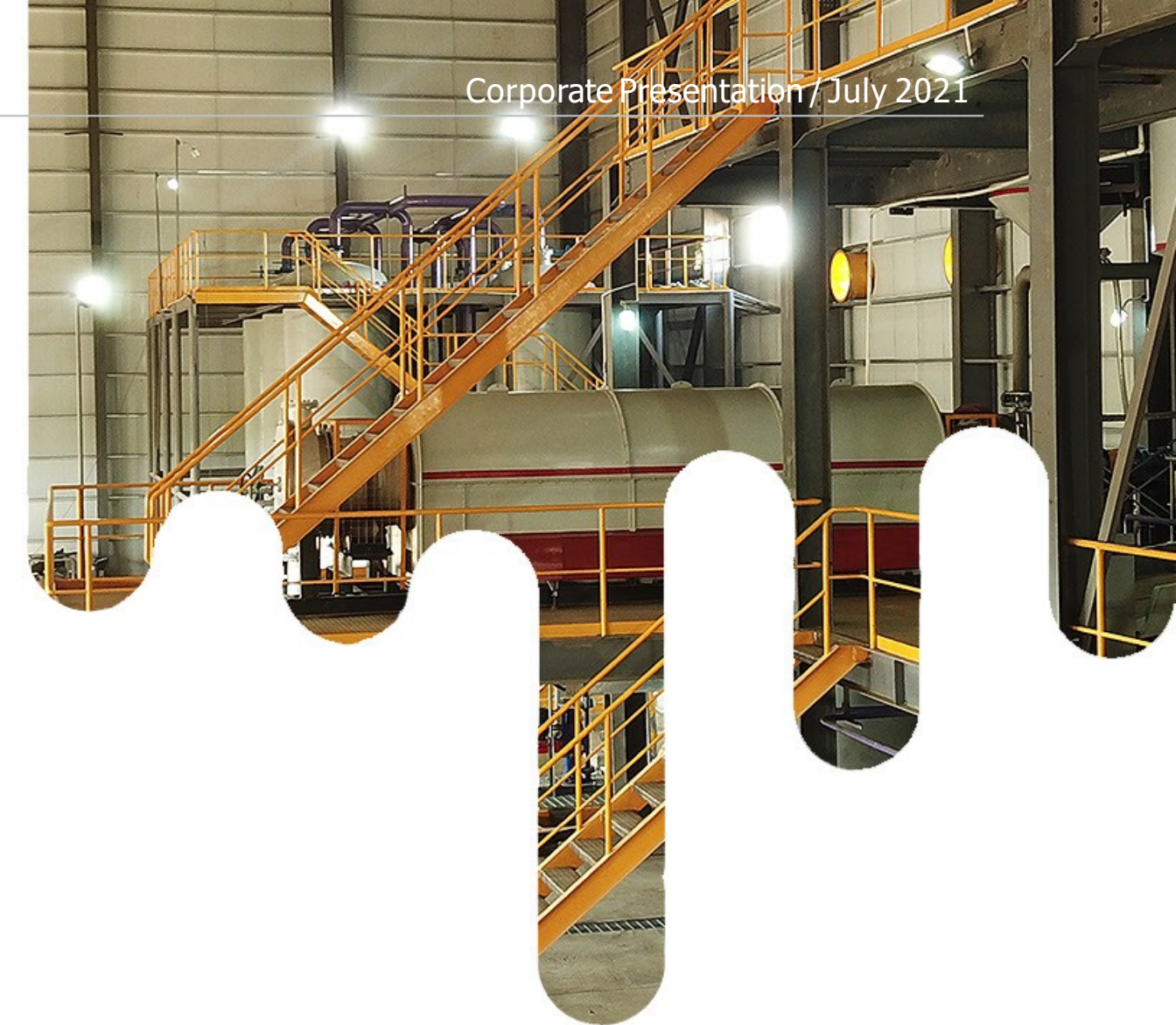
Delivering superior returns to shareholders from low-cost, long life precious metals assets.

**02**

Focus on low cost production assets with strong exploration upside.

**03**

Building strong relationships with our partners, our communities and all levels of the Mongolian government.





# COMPANY OVERVIEW

Steppe Gold is Mongolia's premier precious metals company, has commenced production and is projected to **produce 50,000 to 60,000 ounces of gold** from its Phase I Heap Leach Operation at the ATO Gold Mine annually. The Company is also completing a feasibility study into the Phase II expansion of the ATO Gold Mine to **produce ~150,000 of gold ounces equivalent per annum** from the development of underlying fresh rock ores.

## Investment Highlights:

### 01.

#### Proven in-country team

Proven track record. Strong social licence to operate and strong support from Mongolian investors.

### 03.

#### Resource expansion

Updated resource estimates recently announced for ATO 1, 2, 4 deposits and initial resource for Mungu deposit, doubling resource to 2.45M oz Au Eq. at ATO Gold Mine.

### 02.

#### Production Commenced in 2020

Mine fully commissioned and permitted. Initial Phase - I oxide zone is estimated to produce ~ 50,000 to 60,000 ounces of gold annually.

### 04.

#### Significant exploration position

Uudam Khundii ("UK") Project: Steppe Gold owns 14,400 ha in Bayankhongor gold belt. Drilling programs for 4 new gold discoveries to commence in 2021.

## OTCQX: STPGF | TSX : STGO

Share Price	USD \$1.53	/ CA \$1.85
Current Shares Outstanding	68.4 (m)	
Mongolian National Fund* (US\$3.0m)	4.3 (m)	
Warrants & Options - (Strike @\$2.00)	11.3(m)	
Warrants - (Strike @\$3.00)	6.98(m)	

## CAPITAL STRUCTURE:

Mongolian Nationals	16 %
Insiders and Management	15 %
Family Office Investors (US & Europe)	13 %
Eric Sprott	11%
Fidelity International Ltd	5%
Elliot Management/Triple Flag	4%
Others	36%



# COMPANY BOARD AND MANAGEMENT



**Matthew Wood**  
Executive Chairman

Mr. Wood is a mineral resource explorer and developer with over 25 years of global industry experience in mining investments. Founder of Hunnu Coal Limited sold for ~A\$500M (2011). Awarded the Order of the Polar Star, the highest state honour that can be awarded to a non-citizen of Mongolia.



**Bataa Tumor-Ochir**  
Director, President and CEO

Mr. Bataa Tumor-Ochir is a Mongolian national responsible for new business acquisitions, development and government and community relations. He is also responsible for daily operations in Mongolia. Mr. Tumor-Ochir has over 10 years of experience in mining industry.



**Aneel Waraich**  
Director and Executive Vice President

Mr. Waraich is a financial services professional with 15 years of progressive experience in capital markets having worked on over \$1B in deals. Founder of ATMA Capital Markets focusing on advising public and private companies in the Natural Resources sector.



**Patrick Michaels**  
Director

Mr. Michaels is the Chairman of Zuri-Invest AG and the Chairman of Asty Capital AG in Zurich, Switzerland. Mr. Michaels has been involved in numerous financings of gold mines in North America as well as various other countries and is a well-respected financial adviser and fund manager throughout Europe.



**Jeremy South**  
Senior Vice President and Chief Financial Officer

Mr. South has over 35 years of experience in M&A, capital markets and private equity in Europe, North America and Australia, including senior positions in investment banking at Deutsche Bank, NatWest Markets and Deloitte. He has been working in Mongolia since 2011.



**Dr. Zamba Batjargal**  
Director

Dr. Batjargal has more than 35 years' experience working for the government entities in Mongolia dealing with issues of environmental protection and climate change. He was the Minister of the Environment of Mongolia from 1990 to 1996. Dr. Batjargal has extended experience of work outside of Mongolia being engaged in international bi-and multilateral cooperation activities.



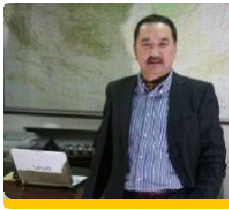
**Sereenen Jargalan**  
Director

Ms. Jargalan has been a professor at the Mongolian University of Science and Technology since September 2003 and head of the Department of Mineral Exploration since 2011 where she teaches Ore Geology and Metallogeny to Bachelors, Masters and Doctorate students.



**Steve Haggarty**  
Director

Mr. Haggarty is the Managing Director of Haggarty Technical Services Corporation and a registered member of the Professional Engineers Ontario. Mr. Haggarty has over 35 years of industrial experience both on-site and at a corporate level, involving several precious metal and copper producers, with a background in project design, commissioning, start-up, metallurgy, process optimization, project management, reclamation and closure.



**Enkhtuvshin Khishigsuren**  
VP of Exploration

Mr. Khishigsuren has over 30 years of Mongolian mineral exploration experience. He has focused his expertise on the precious metals exploration sector resulting in successes for numerous companies.



# STEPPE PEOPLE





# STEPPE SOCIAL RESPONSIBILITY

## Steppe Gold is an integral part of the local community:

We have been building strong local support and relationships for many years, prior to commencing our exploration and production efforts.



Steppe Gold and Mongolia are proud to sponsor sambo wrestler, A.Khatansaikhan, Asian gold medalist of 2018, 2019 and silver medalist from World championship.



Steppe has signed a cooperation agreement with the local government, ensuring a beneficial working environment for our people.

**Steppe Gold's first priority is, and always will be, the safety of our people.**

Steppe is committed to mitigating and rehabilitating environmental impacts. We support biodiversity offsets, sustainable development and the principles of responsible mining in all of our work.



# STEPPE'S VALUE BUILDING MODEL

Fast-tracked production and exploration upside

## Cashflow

Fully permitted heap leach mine and plant.

Commenced commercial production targeting 60,000 ounces annually



## Development

Commenced feasibility study to produce ~150,000 ounces annually.

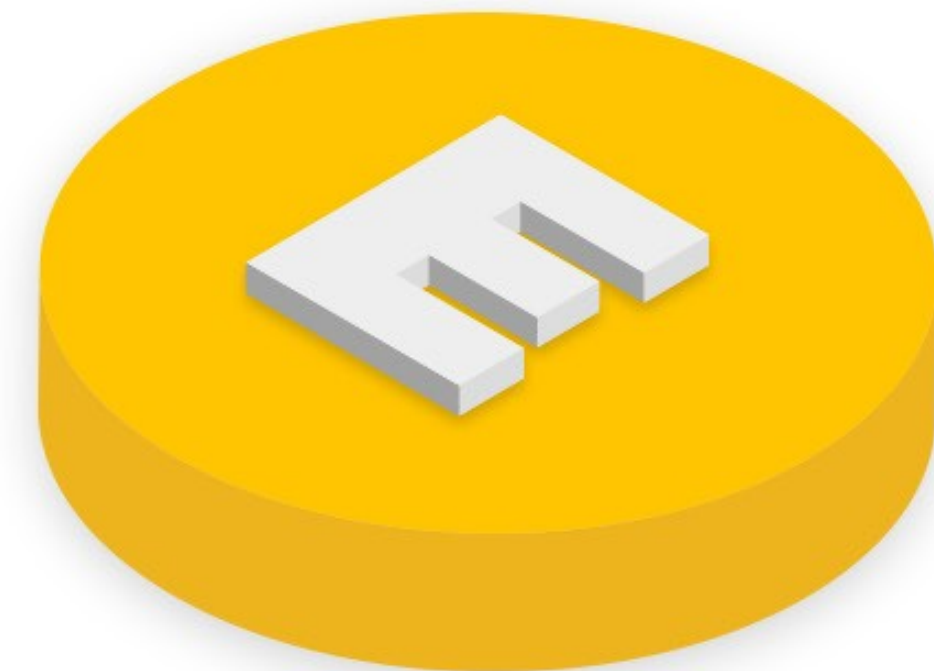
New resource estimates doubled to 2.45Moz Au Eq.



## Exploration

The Company owns one of the largest exploration licences in Bayankhongor gold belt.

Drilling to commence on 4 new discoveries in 2021.

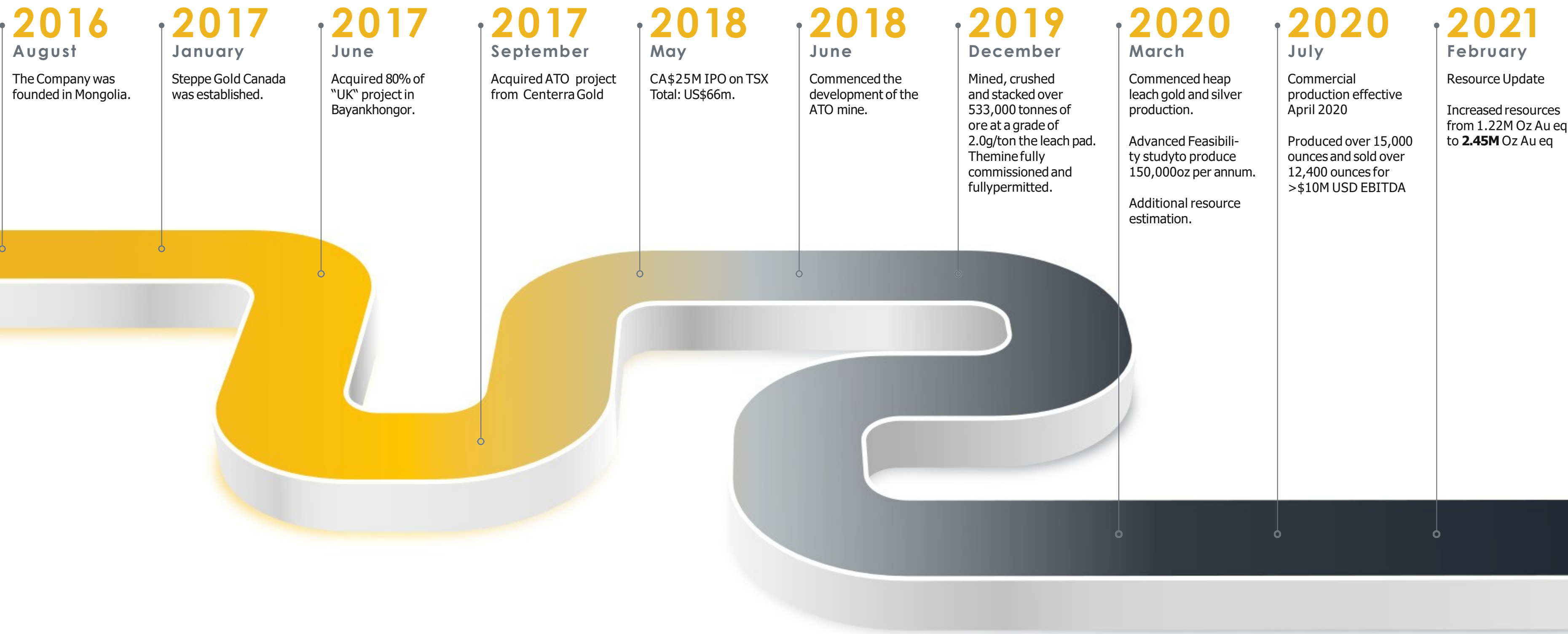


The Company has access to a steady pipeline of exploration and development projects across Mongolia. Currently assessing over 200,000 hectares of exploration licences and several gold projects for 2021.



# COMPANY MILESTONES

ATO Gold Mine built in 14 months for ~US\$20m CAPEX





# WHY MONGOLIA

- ✓ Home to world class assets, sound mining infrastructure and mining talent.
- ✓ Strong support for mining industry at all levels of government.
- ✓ Focus on safety, wealth generation and sustainable development.
- ✓ Developing broad based win-win partnerships with China, Russia and third neighbours founded on the mining industry and related infrastructure.





# COMPANY OPERATIONS

Steppe Gold owns exploration, development and production assets.





# ALTAN TSAGAAN OVOO (ATO) GOLD MINE

## NI 43-101 compliant 1.22 Moz Au Eq resources (M&I) - 2017

ATO Mineral Reserves (1)(3)(5)(6)(7)(8)(9)(10)(12)	TONNAGE	GRADE		CONTAINED METAL		RECOVERED METAL	
	(Mt)	Au(g/t)	Ag(g/t)	Au(koz)	Ag(koz)	Au(koz)	Ag(koz)
Proven	3.41	1.41	9.72	155	1065	108	426
Probable	1.82	0.93	10.52	55	616	38	246
Proven and Probable	5.23	1.25	10.00	210	1681	147	673

ATO Mineral Resources (1)(2)(4)(5)(8)(9)(10)(12)	TONNAGE	GRADE				CONTAINED METAL			
	(Mt)	Au(g/t)	Ag(g/t)	Pb(%)	Zn(%)	Au(koz)	Ag(koz)	Pb(mlb)	Zn(mlb)
Measured	7.77	1.51	8.16	0.86	1.54	378	2039	148	263
Indicated	4.46	1.46	13.17	0.55	1.01	209	1889	54	99
Measured + Indicated	12.23	1.49	9.99	0.75	1.34	587	3927	202	362
Inferred <sup>(11)</sup>	1.05	1.03	25.18	0.52	1.11	35	848	12	26

### Notes:

- ATO Mineral Reserves and Mineral Resources are as at August 21, 2017 using the CIM Definition Standards(2014).
- Mineral Resources are in addition to Mineral Reserves.
- Mineral Reserves are constrained within an optimized pit shell based on a gold price of \$1,300 per ounce.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability for heap leaching.
- Contained gold estimates have not been adjusted for metallurgical recoveries.
- Recovered gold estimates have been adjusted for metallurgical recoveries based on 70% for Au and 40% for Ag.
- Mining dilution is 3% and Ore loss is 2%.
- Mineral Reserves and Mineral Resources are estimated using a 0.3 g/t AuEq cut-off grade for oxide material and a 1.1 g/t AuEq. Cut-off grade for fresh material.

- A conversion factor of 31.103477 grams per ounce 453.59237 grams per pound are used in the reserve and resource estimates.
- AuEq has been calculated using assumed metal prices (\$1,306.6/oz for gold, \$21.6/oz).  
Oxide ore recalculation:  $AuEq(g/t) = Au(g/t) + (Ag(g/t) \times 21.6 \times 0.0321507 \times 0.4) / (1,306.6 \times 0.0321507 \times 0.7)$   
Fresh ore recalculation:  $AuEq(g/t) = Au(g/t) + ((Ag(g/t) \times 21.6 \times 0.0321507 \times 0.75) + (Pb\% \times 1,844 \times 10^{-6} \times 0.6) + (Zn\% \times 1,944 \times 10^{-6} \times 0.55)) / (1,306.6 \times 0.0321507 \times 0.71)$
- Inferred Mineral Resources have a great amount of uncertainty as to their existence and as to whether they can be mined economically. It cannot be assumed that all or part of the Inferred Mineral Resources will ever be upgraded to a higher category.
- Totals may not match due to rounding.



# ATO AND MUNGU RESOURCE UPDATE FEBRUARY 2021

NI 43-101 compliant **2.45 M oz Au Eq** resources

ATO Mineral Resources	TONNAGE	GRADE				CONTAINED METAL		
	(Mt)	Au(g/t)	Ag(g/t)	Pb(%)	Zn(%)	Au(koz)	Ag(koz)	AuEq(Metal)
Measured	23.94	1.18	15.95	0.41	0.66	907	12,274	1,1419
Indicated	17.68	0.85	14.44	0.34	0.60	483	8,206	819
Measured + Indicated	41.62	1.04	15.31	0.38	0.63	1,390	20,479	2,238
Inferred	5.62	0.62	15.13	0.25	0.50	113	2,732	208

## Highlights:

Increased ATO Measured and Indicated (M&I) Resources to 41.6 Mt at average Au Eq grade of 1.67 g/t

Increase in average grade across the resource to 1.67 g/t Au Eq

M&I resources show 1.39 M oz gold and 20.48 M oz silver

Increase in the M & I resource is due primarily to significant expansion through drilling at the ATO 4 Deposit and incorporation of a maiden resource at the Mungu Deposit



# ALTAN TSAGAAN OVOO (ATO) GOLD MINE

FULLY PERMITTED AND COMMENCING GOLD PRODUCTION



PHASE I - OXIDE HEAP LEACH PRODUCTION  
**50,000 to 60,000 oz of Gold annually**  
PHASE II - ~150,000 oz of gold production annually from fresh rock



## ADR BUILDING

## ALTAN TSAGAAN OVOO (ATO) GOLD MINE

PHASE I - OXIDE HEAP LEACH PRODUCTION

**50,000 to 60,000 oz of Gold annually**

PHASE II - ~150,000 oz of gold production annually from fresh rock



## MINING CAMP

## ALTAN TSAGAAN OVOO (ATO) GOLD MINE



PHASE I - OXIDE HEAP LEACH PRODUCTION

**50,000 to 60,000 oz of Gold annually**

PHASE II - ~150,000 oz of gold production annually from fresh rock



## ADR PLANT

## ALTAN TSAGAAN OVOO (ATO) GOLD MINE



PHASE I - OXIDE HEAP LEACH PRODUCTION

**50,000 to 60,000 oz of Gold annually**

PHASE II - ~150,000 oz of gold production annually from fresh rock



# ALTAN TSAGAAN OVOO (ATO) GOLD MINE

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## Leveraging HL cash flow to scale operations

- ✓ 2020 – produced ~ 35,000 oz of production with strong cash margins – of c 50%
- ✓ Operating cashflow before capex in 2021 and 2022 of \$40m+
- ✓ 2020 cashflow to be reinvested in planning for Phase 2
- ✓ Expected to start construction for Phase 2 – Q3 2021
- ✓ CIL plant and associated capex – around \$100m in capex, project finance structure
- ✓ Project finance partners being identified and EPC groups being interviewed now
- ✓ Limited equity component required – supported by cashflow and profitability at Phase 1

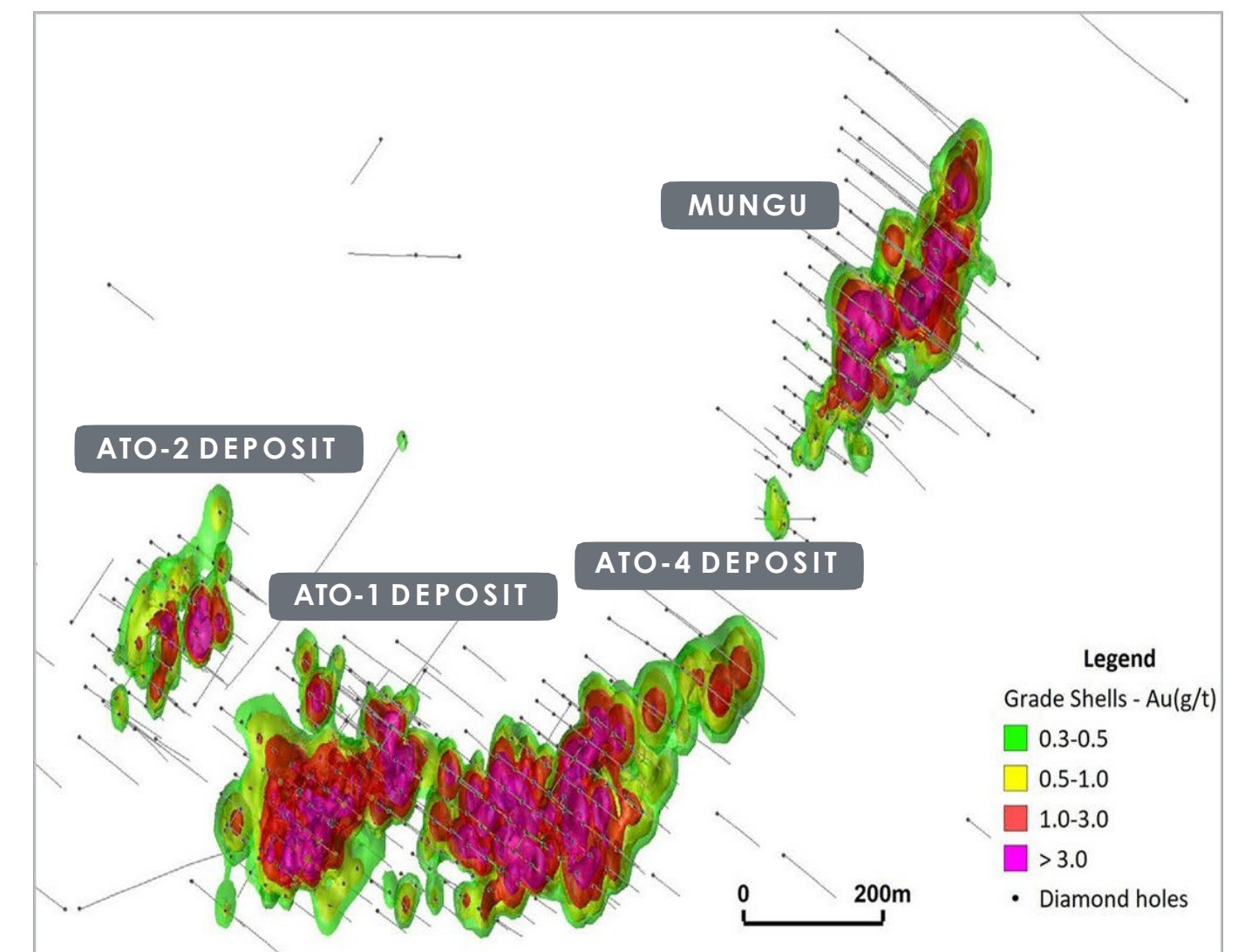
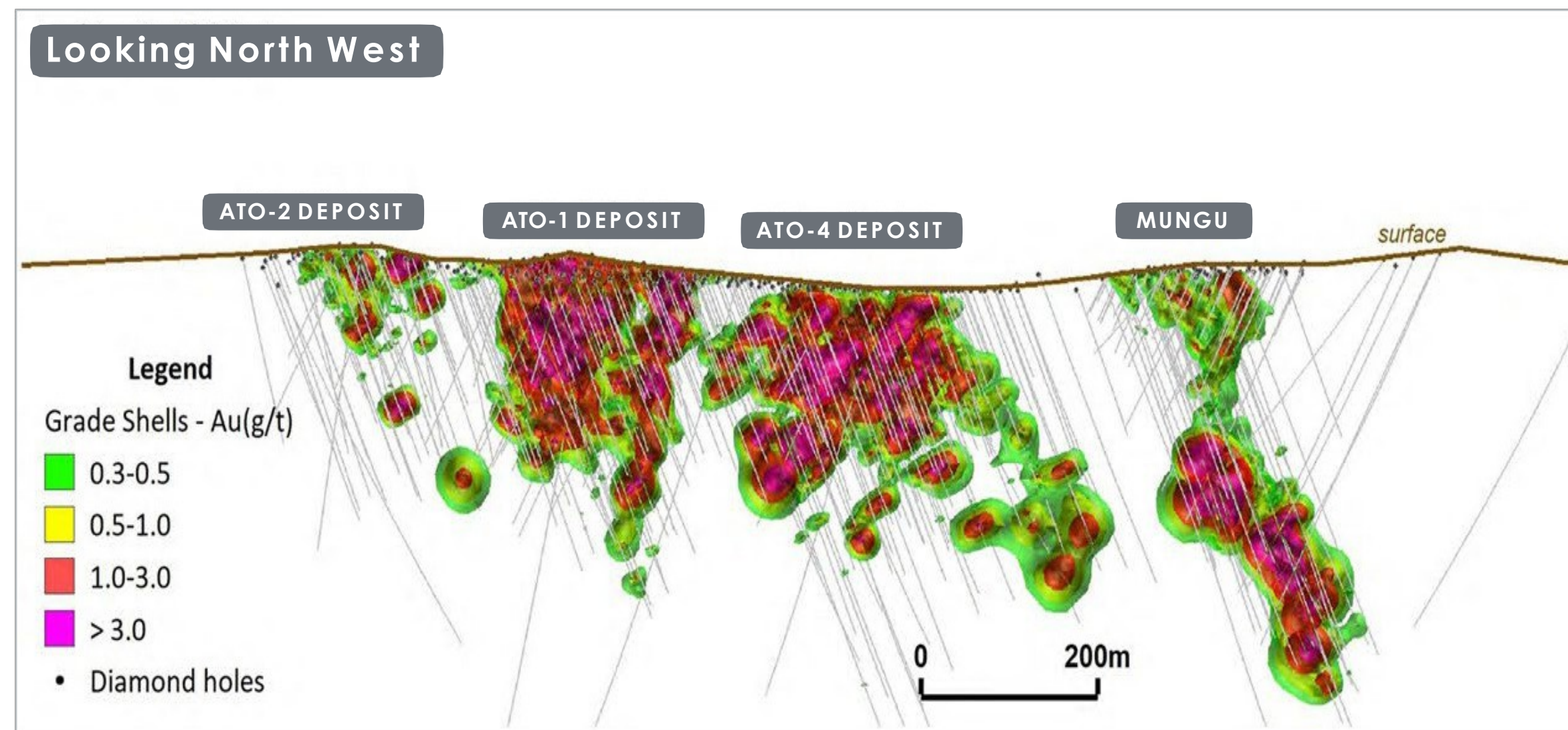


# RESOURCE EXPANSION (2.45M Oz Au Eq to 400M depth)

Building on a large dataset - high grade intercepts.

Over 90,000m drilling and 28,421m trenching completed. Mungu deposit estimate just released.

The latest drilling results and new resource estimates for ATO and Mungu deposits have been released.

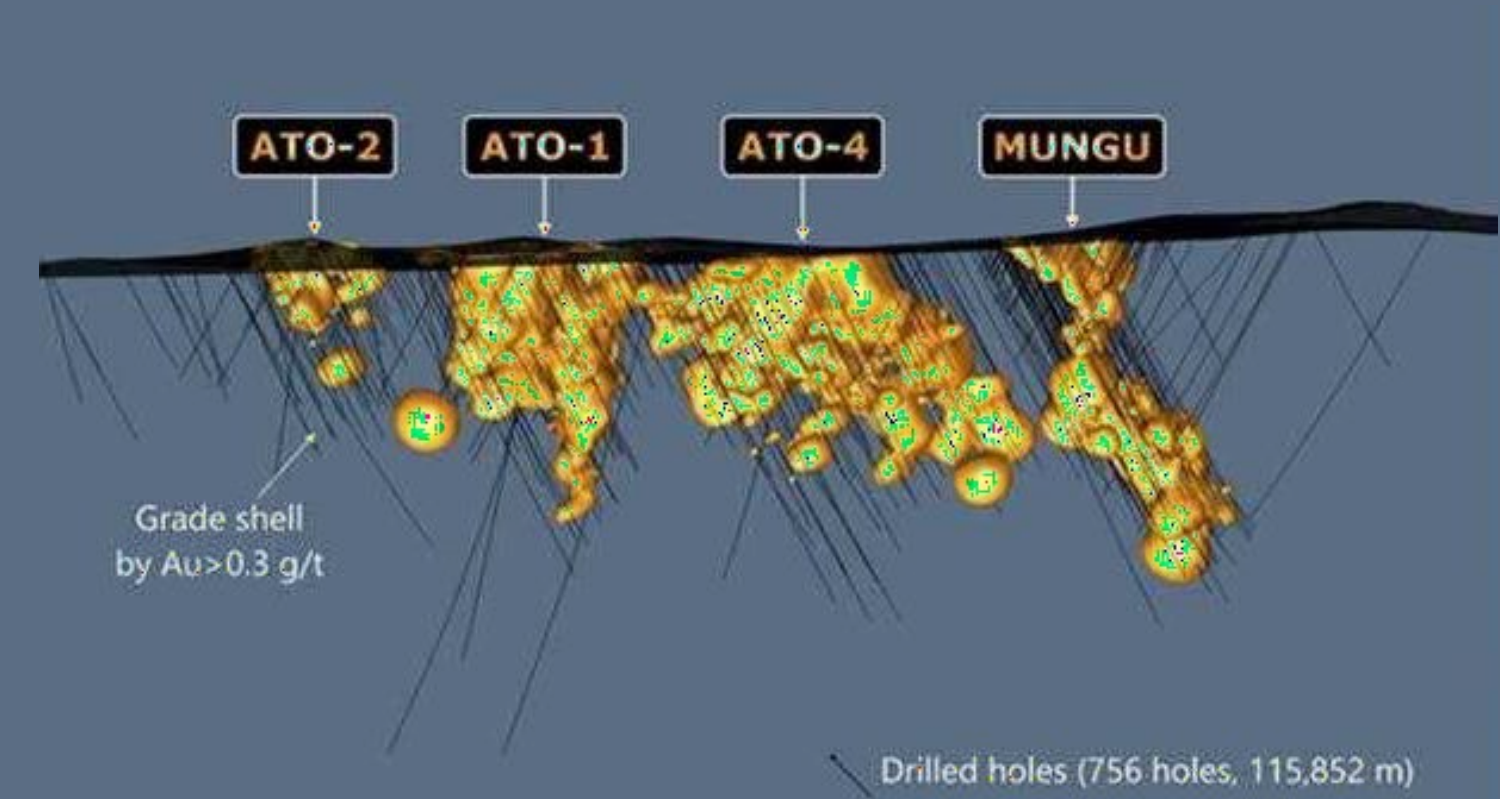




# HIGHLIGHTED RESULTS FOR THE 2020 DRILLING PROGRAM

Received to date at the Mungu Discovery include

<b>MG-139</b>	19.3m at 6.77g/t gold, 28.6g/t silver from 219.2 metres
<b>MG-140</b>	22.9m at 4.73g/t gold, 87.10g/t silver from 205.1 metres
<b>MG-141</b>	11mat 4.83g/t gold, 249.03g/t silver from 168 metres
<b>MG-142</b>	21m at 3.77g/t gold, 8.7g/t silver from 269 metres
<b>MG-143</b>	38m at 1.32g/t gold, 78.44g/t silver from 257 metres





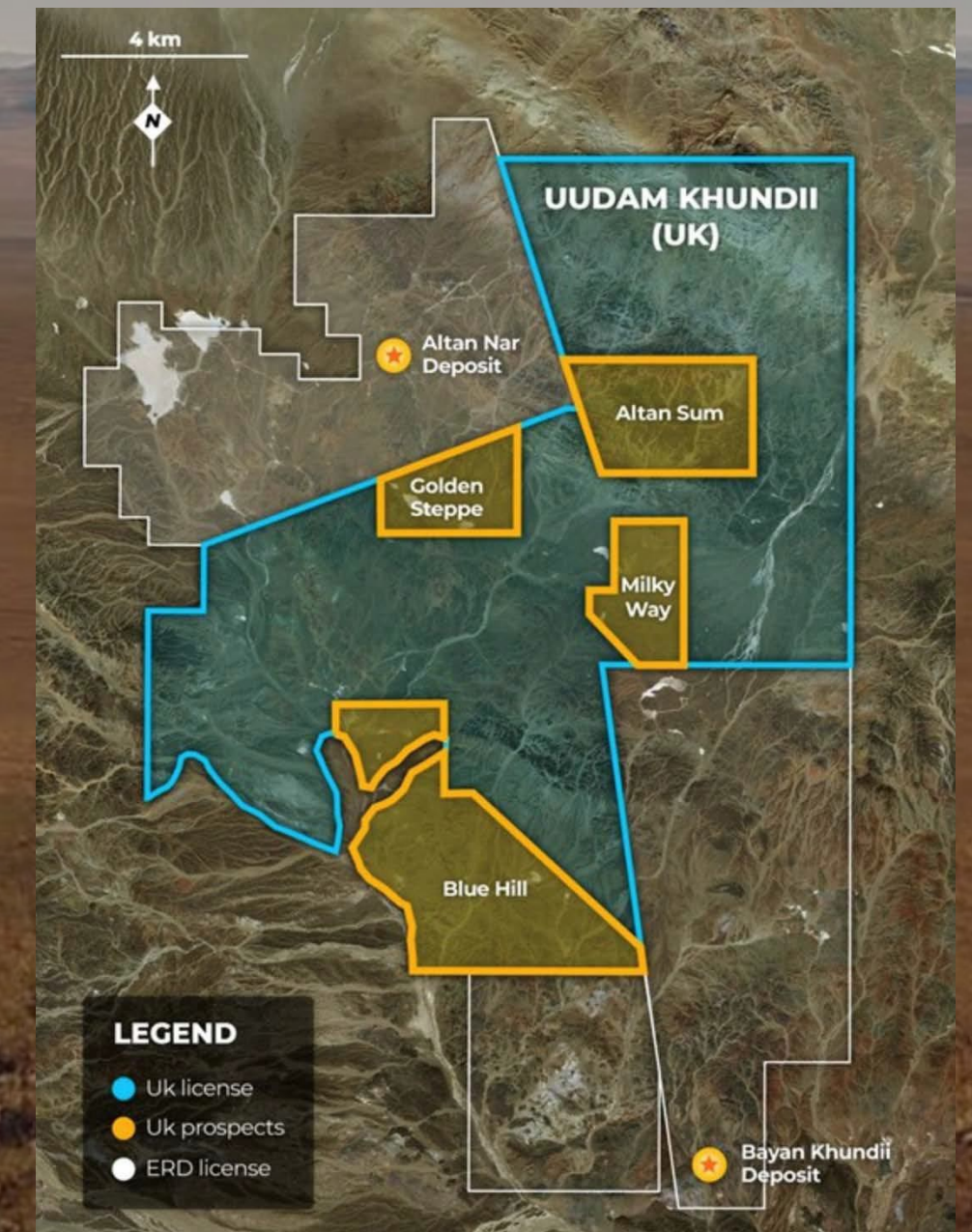
# UUDAM KHUNDII (UK) PROJECT

## ONE OF THE LARGEST EXPLORATION LICENCES IN BAYANKHONGOR GOLD BELT

- To date, Steppe Gold has completed 18 trenches for 933 meters in 2020 at the Milky Way Prospect and the Altan Soum Prospect.
- This work is ongoing with more trenching planned across all four prospects discovered.
- At the Milky Way Prospect initial trenching results have highlighted a mineralized system of at least 700 meters in length and up to 12 metres wide with individual meter sampling results up to 1.49g/t gold, 450g/t silver, 2.98% copper, 3.98% lead and 0.31% Zinc.

These are exciting early results and the Company is expanding its exploration efforts with a geophysical crew and drilling rig planned to be mobilized to site in the coming month.

Identified 4 new discoveries and drilling commences in 2021.



### EXCLUSIVE RIGHTS

Uudam Khundii ("UK") Project: Steppe Gold owns 14,400 hectares in a first of its kind, 80/20 JV with the provincial government of Bayankhongor.

### HIGHLY PROSPECTIVE AREA

Adjoining licences held by Erdene Resources (ERD)\* have discovered high grade gold silver mineralized zones trending on to Steppe's licences.

### FUTHER ACQUISITIONS

The Company is currently assessing over 200,000 hectares of exploration licences for further acquisition.



# 2021 GUIDANCE & PHASE 2 EXPANSIONS

- ✓ **Production: 50,000 oz gold, 150,000 oz silver**
- ✓ **AISC: \$750/oz and CASH COSTS: \$550/oz**
- ✓ **Focus on keeping cash balance at \$30-\$50m**
- ✓ **Capex estimates - \$100-\$125m**
- ✓ **Budget for long lead items in 2021 - \$20-\$30m**
- ✓ **Project Finance plans advancing**
- ✓ **Multi-tranche lending approach**
  - Mongolian lending syndicate – Summer 2021
  - International syndicate – Q1 2022





# FROM VISION TO PRODUCTION

## 2020 Financial Highlights:

- ✓ Revenue for year ended December 31, 2020 was \$52.1M on sales of 31,733 oz Au and 13,710 oz Ag: average realized prices per/oz of \$1,842 and \$21 respectively
- ✓ Operating income from mine operations, before depreciation and depletion, was \$32.6M
- ✓ Consolidated Group Adjusted EBITDA for the year was \$24.4M
- ✓ Year-end cash and savings accounts balance was \$32.6M; bank debt is \$10.5M
- ✓ Cash Costs for the year ended December 31, 2020 were \$607/oz sold
- ✓ All in Sustaining Cost (AISC), before expensed exploration, for the year ended December 31, 2020 was \$842/oz sold
- ✓ During the year ended December 31, 2020, 1,138,209 tonnes of ore was mined and 699,204 tonnes of ore stacked with an average gold grade of 2.03 g/t and an average silver grade of 8.88 g/t.





# FROM VISION TO PRODUCTION



## Strong Execution

- Commenced Production in Spring 2020. A **\$20M** acquisition turned into full-scaled mining operations.
- March 2021: Trading on **OTCQX 'Best Markets'** – US investor accessibility



## Solid Financials in Ramp Up(2020)

- 9 months of Commercial Production - 50% EBITDA Margins:
  - AISC of **\$842 per oz** sold; Cash costs - **\$607 per oz** sold;
  - **\$32.6M USD** on balance sheet.
- Using existing cash and MNT debt facilities to fund Phase 2 expansion in 2021



## Aggressive & Well-Planned Expansions

- February 2021: Doubled resource estimate to 2.45Moz Au Eq.
- BFS results out soon & drilling on 4 new gold discoveries.
- Procurement of new crusher with capacity of 1,000t/hr; more than 3x current crusher capacity.
  - Estimated throughput rates of 2-2.5m t.p.a.



## Strong In-Country Team

- Proven track record with highly-skilled Mongolian team
- Strong local shareholder support, trusted relationships with government at all levels
  - 1st recipient of Mongolia's Sovereign Investment Fund
- Covid-19: 99% of workforce in-country, allowing for continuity of operational plans during global uncertainty







## CONTACT

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Executive Chairman

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